Kentucky Cities Income Tax Information and Withholding Formula

1. Subtract the nontaxable biweekly Federal Employees Health Benefits payment from the gross biweekly wages.

2. Multiply the adjusted gross biweekly wages by 27 to obtain the annual wages.

3. Determine the annual Kentucky city income tax withholding by applying the following guideline to the annual wages.

Compute the City Income Tax Withholding For:	State/City Codes	By Multiplying the Annual Wages By:		City Tax Status (Duty Station=DS Residence=R)
		Resident Percentage	Nonresident Percentage	
Bowling Green	21/0350	▶1.85	1.85◀	DS
Covington	21/0800	2.50[1]	2.50[1]	DS
Florence	21/1150	1.25[2]	1.25[2]	DS
Frankfort	21/1220	1.75	1.75	DS, R
Lexington–Fayette	21/1980	2.25	2.25	DS
Louisville	21/2090	2.20	1.45	DS
Owensboro	21/2490	1.33	1.33	DS
Paducah *(voluntary)*	21/2520	1.50	1.50	
Richmond	21/2750	2.00	2.00	DS

[1] *Maximum withholding wage base of ▶$97,500 (maximum annual withholding of $2,437).◀*

[2] *Maximum withholding wage base of ▶$97,500 (maximum annual withholding of $1,218.75).◀*

Note: City tax is mandatory unless otherwise indicated.

4. Divide the annual Kentucky city income tax withholding by 27 to obtain the biweekly Kentucky city income tax withholding.